

August 30, 2013

To: Executive Board

Subject: **Contract Option Order – 30 CNG Buses**

Recommendation

Authorize the Executive Director to exercise an existing option under Agreement No. 12-040 and negotiate final terms and conditions with North American Bus Industries Bus (NABI Bus) for the purchase of thirty (30) compressed natural gas-fueled, 42-foot buses at a total cost of Sixteen Million Six Hundred Eighty-Eight Thousand Two Hundred Ninety-Five Dollars (\$16,688,295). Sales/Use tax on this procurement will be paid separately by Foothill Transit.

Analysis

In December 2012 the Foothill Transit Executive Board authorized the Executive Director to enter into Agreement No. 12-040 with NABI for the procurement of 30 CNG-fueled, 42-foot buses with options to purchase an additional 120 buses with no minimum order quantity. Foothill Transit may exercise the options by written notices to NABI at any time within five years of the date of execution of Agreement No. 12-040. That agreement was executed in March 2013.

The Federal Transit Administration (FTA) stipulates that buses purchased with federal funds must remain in service for 12 years or 500,000 miles, whichever comes first. Consistent with the current Foothill Transit fleet replacement plan, Foothill Transit will have 30 CNG buses that will be eligible for retirement in the summer of 2014.

NABI has provided proposed pricing for the purchase of the buses based on Foothill Transit's current bus specifications and options. As required by FTA's Procurement Guidelines, the pricing of the option buses was evaluated as part of the original procurement. For this purchase, the cost is derived from the base price of 30 42-foot buses under Amendment No. 1 of Agreement No. 12-040. The proposed price for this procurement does not include a producer price index (PPI) increase and is exactly the same price from the most recent purchase under contract Amendment No. 1. As required by the FTA, a thorough price analysis has been conducted and the price of these 30 buses has been determined to be fair and reasonable.

Budget Impact

The per-bus cost of the 30 NABI 42-foot buses is Five Hundred Fifty-Six Thousand Two Hundred Seventy-Six Dollars and Fifty Cents (\$556,276.50), including delivery. Funding will be included to complete the FTA required factory inspections. State of

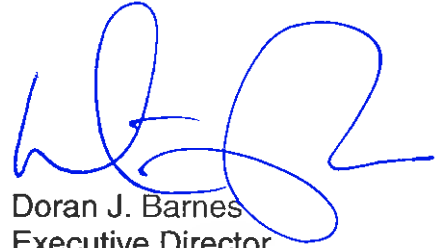
Executive Board Meeting – 08/30/13
Contract Option – 30 CNG Buses
Page 2

California Sales/Use tax will be paid separately by Foothill Transit. Funding for these vehicles is included in Foothill Transit's approved FY 2014 Business Plan.

Sincerely,



Roland M. Cordero
Director of Maintenance and Vehicle Technology



Doran J. Barnes
Executive Director